

Aviation is a huge driver of Economic Impact in Michigan

- Over 14,000 people work in commercial aviation in Michigan
- Commercial aviation carries over 18 Million
- passengers in, out and through Michigan every year
- Over \$6.7 Billion of cargo trade annually
- The industry represents:
 - \$17.6 Billion in annual economic activity
 - \$5.3 Billion in Annual Payroll
 - 168,000 Direct and Indirect Jobs
- Delta and it's affiliates alone generate:
 - \$2.2 Billion in annual passenger spend
 - \$210 Million in annual tax revenue to the State of Michigan

Fix Michigan's Non-Competitive and Illegal Tax Structure

- Michigan's tax structure on jet fuel is not competitive with other Delta hubs or other states; it is the 9th least competitive in the country
- It puts Michigan at a disadvantage as it competes for service and aircraft
- Proposal 2 of 1994, put MI sales tax out of compliance with federal law (FAA); these bills would correct that inconsistency
- Delta also supports creating a permanent, stable and increased (over current levels) funding for the State Aeronautics Fund. Bills you have already passed would accomplish that goal
- We see moving forward these Senate bills today as the next step in reaching a comprehensive solution

Michigan Compared to Other Delta Hubs

Tax rates at other Delta hubs:

MI: 3 cent per gallon jet fuel tax (1 ½ cent credit)
6% sales tax
0.0875 UST fee

GA: 3% sales tax (rate effective July 1, 2012)

MN: ½ cent per gallon excise tax (over 200,000 gallons), plus
1/10 cent per gallon environmental fee

KY: 7% sales tax (capped at \$1 million per year)

TN: 4.5% sales tax
1.4 cents per gallon excise tax on fuel burned in Tennessee and 1/20 cent per gallon excise tax on fuel exported

NY: 6.8 cents per gallon excise tax for fuel burned in New York

UT: 2.5 cents per gallon excise tax

